

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT			1. CONTRACT ID CODE	PAGE OF PAGES 1
2. AMENDMENT/MODIFICATION NO. MODIFICATION		3. EFFECTIVE DATE SEE BLOCK 16C.	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (IF APPLICABLE)
6. Issued By Code		7. ADMINISTERED BY (If other than Item 6) Code		
8. Name and Address of Contractor (No., street, county, State and ZIP Code)			(x)	9A. AMENDMENT OF SOLICITATION NO.
				9B. DATED (SEE ITEM 11)
				10A. MODIFICATION OF CONTRACT/ORDER NO.
				10B. DATED (SEE ITEM 13)
CODE		FACILITY CODE		

**11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS**

	The above numbered solicitation is amended as set forth in item 14. The hour and date specified for receipt of Offers		is extended	X	is not extended.
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Offer's must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing Items 8 and 15, and returning \_\_\_\_\_ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

**13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.**

	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO : (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
X	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF : <b>FAR 52.212-4(c)</b>
	D. OTHER (Specify type of modification and authority)

**E. IMPORTANT:** Contractor ☐ is not, ☒ is required to sign this document and return 0 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

See Attached

Except as provided herein, all terms and conditions of the document referenced in item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)	
15B. CONTRACTOR/OFFEROR		16B. UNITED STATES OF AMERICA	
15C. DATE SIGNED		16C. DATE SIGNED	
(Signature of person authorized to sign)		BY (Signature of Contracting Officer)	

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**K-FSS-1                      AUTHORIZED NEGOTIATORS (MAR 1998)**

The offeror shall, in spaces provided below, fill in the names of all the persons authorized to negotiate with the Government in connection with this request for proposals or quotations. (List the names, titles, telephone numbers and electronic mail address of the authorized negotiators.)

Name	Title
Phone	eMail Address

1. The title of MOBIS has changed from Management, Organizational and Business Improvement Services to Mission Oriented Business Integrated Services. The acronym MOBIS remains the same.
2. Special Item Number (SIN) 874-8, Alternative Dispute Resolution (ADR) Services, has been deleted and is no longer available under the MOBIS Schedule.
3. SIN descriptions have changed for Consulting Services (SIN 874-1), Training Services (SIN 874-4), Support Products (SIN 874-5), Privatization Support Services and Documentation (SIN 874-6), and Program Integration and Project Management Services (SIN 874-7) as follows:

#### **SIN 874-1: CONSULTING SERVICES**

Contractor shall provide expert advice, assistance, guidance or counseling in support of agencies' mission oriented business functions. This may include studies, analyses and reports documenting any proposed developmental, consultative or implementation efforts. Examples of consultation include but are not limited to: strategic, business and action planning; high performance work; process and productivity improvement; systems alignment; leadership systems; organizational assessments; cycle time; performance measures and indicators; program audits, evaluations, and customized training.

#### **SIN 874-4: TRAINING SERVICES**

Contractors shall provide off-the-shelf, or customized off-the-shelf training packages under this SIN to meet specific agency needs related to business services, such as, but not limited to: customer service, team building, ISO 9000, process improvement, performance measurement; statistical process control; performance problem-solving; business process reengineering; quality management; change management; strategic planning; and benchmarking.

Offerors shall provide a schedule of available training courses offered. Offerors shall indicate the minimum number of participants per course. Courses shall include all costs for the minimum number of participants. **Rates MUST include all materials (i.e. notebooks, training manuals, index tabs, etc.).** Include the course description. Wherever the offeror knows of Other Direct Costs that will regularly be incurred, they should offer them under SIN 874-5, Support Products and Services.

#### **SIN 874-5: SUPPORT PRODUCTS**

\*Support products are those items used in support of services offered in SINs 1 through 4, 6, 7 and 99. They can include: workbooks, training manuals, slides, videotapes, CDs, DVDs, etc. Any support products offered must be supplied in conjunction with services offered herein. Support products should not be a significant part of the task.

Two categories of support products may be priced in this solicitation: (1) off-the-shelf and (2) custom-designed.

**\*No administrative supplies (i.e. binders, index cards, pencils, paper, pens, blank cassette and/or videotapes, etc.) shall be offered as support products.**

All products to be shipped FOB Destination.

#### **SIN 874-6: PRIVATIZATION SUPPORT SERVICES AND DOCUMENTATION (A-76)**

Contractors shall provide support in conducting OMB Circular A-76 Commercial Activities studies, strategic sourcing studies, privatization studies, public-private partnerships, Federal Activities Inventory Reform Act, and other competitive sourcing projects or efforts. Services include but are not limited to study planning and assessments, development of Performance Work Statements (PWS), development of Quality Assurance Surveillance Plans (QASP), performance of management studies to determine the

Government's Most Efficient Organization (MEO), development of in-house Government cost estimates, comparisons of in-house bids to proposed contractor prices, and Administrative Appeal Process support, MEO or contract implementation support as a result of a privatization study, and MEO performance reviews.

#### **SIN 874-7: PROGRAM INTEGRATION AND PROJECT MANAGEMENT SERVICES**

Contractors shall provide management or integration of programs and projects to include, but not limited to: program management, program oversight, project management and program integration of a limited duration. A variety of functions may be utilized to support program integration or project management tasks.

#### **52.212-5 CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT STATUTES OR EXECUTIVE ORDERS—COMMERCIAL ITEMS (JUL 2005)**

- (a) The Contractor shall comply with the following Federal Acquisition Regulation (FAR) clause, which is incorporated in this contract by reference, to implement provisions of law or Executive orders applicable to acquisitions of commercial items:
- (1) 52.233-3, Protest After Award (AUG 1996) (31 U.S.C. 3553).
  - (2) 52.233-4, Applicable Law for Breach of Contract Claim (OCT 2004) (Pub. L. 108-77,108-78).
- (b) The Contractor shall comply with the FAR clauses in this paragraph (b) that the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items: [Contracting Officer check as appropriate.]

X	(1)	52.203-6, Restrictions on Subcontractor Sales to the Government (JUL 1995), with Alternate I (OCT 1995) (41 U.S.C. 253g and 10 U.S.C. 2402).
	(2)	52.219-3, Notice of Total HUBZone Set-Aside (JAN 1999) (15 U.S.C. 657a).
	(3)	52.219-4, Notice of Price Evaluation Preference for HUBZone Small Business Concerns (JAN 1999) (if the offeror elects to waive the preference, it shall so indicate in its offer) (15 U.S.C. 657a).
	(4)	(i) 52.219-5, Very Small Business Set-Aside (JUN 2003) (Pub. L. 103-403, section 304, Small Business Reauthorization and Amendments Act of 1994).
		(ii) Alternate I (MAR 1999) of 52.219-5.
		(iii) Alternate II (JUN 2003) of 52.219-5.
	(5)	(i) 52.219-6, Notice of Total Small Business Set-Aside (JUN 2003) (15 U.S.C. 644).
		(ii) Alternate I (OCT 1995) of 52.219-6.
	(6)	(i) 52.219-7, Notice of Partial Small Business Set-Aside (JUN 2003) (15 U.S.C. 644).
		(ii) Alternate I (OCT 1995) of 52.219-7.
		(iii) Alternate II (MAR 2004) of 52.219-7.
X	(7)	52.219-8, Utilization of Small Business Concerns (MAY 2004) (15 U.S.C. 637 (d) (2) and (3)).
X	(8)	(i) 52.219-9, Small Business Subcontracting Plan (JUL 2005) (15 U.S.C. 637 (d)(4)).
		(ii) Alternate I (OCT 2001) of 52.219-9.
		(iii) Alternate II (OCT 2001) of 52.219-9.
X	(9)	52.219-14, Limitations on Subcontracting (DEC 1996) (15 U.S.C. 637 (a) (14)). (Applicable to 8(a) Awards Only)
	(10)	(i) 52.219-23, Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns (JUN 2003) (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323) (if the offeror elects to waive the adjustment, it shall so indicate in its offer).

		(ii) Alternate I (JUN 2003) of 52.219-23.
	(11)	52.219-25, Small Disadvantaged Business Participation Program—Disadvantaged Status and Reporting (OCT 1999) (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323).
	(12)	52.219-26, Small Disadvantaged Business Participation Program—Incentive Subcontracting (OCT 2000) (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323).
	(13)	52.219-27, Notice of Total Service-Disabled Veteran-Owned Small Business Set-Aside (MAY 2004)
X	(14)	52.222-3, Convict Labor (JUN 2003) (E.O. 11755).
X	(15)	52.222-19, Child Labor—Cooperation with Authorities and Remedies (JUN 2004) (E.O. 13126).
X	(16)	52.222-21, Prohibition of Segregated Facilities (FEB 1999).
X	(17)	52.222-26, Equal Opportunity (APR 2002) (E.O. 11246).
X	(18)	52.222-35, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (DEC 2001) (38 U.S.C. 4212).
X	(19)	52.222-36, Affirmative Action for Workers with Disabilities (JUN 1998) (29 U.S.C. 793).
X	(20)	52.222-37, Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (DEC 2001) (38 U.S.C. 4212).
X	(21)	52.222-39, Notification of Employee Rights Concerning Payment of Union Dues or Fees (JAN 2005) (E.O. 13201).
	(22)	(i) 52.223-9, Estimate of Percentage of Recovered Material Content for EPA-Designated Products (AUG 2000) (42 U.S.C. 6962 (c) (3) (A) (ii)).
	(23)	52.225-1, Buy American Act—Supplies (JUN 2003) (41 U.S.C. 10a-10d).
	(24)	(i) 52.225-3, Buy American Act—North American Free Trade Agreement—Israeli Trade Act (JUN 2003) (41 U.S.C. 10a-10d, 19 U.S.C. 3301 note, 19 U.S.C. 2112 note).
		(ii) Alternate I (MAY 2002) of 52.225-3.
		(iii) Alternate II (MAY 2002) of 52.225-3.
X	(25)	52.225-5, Trade Agreements (JAN 2005) (19 U.S.C. 2501, et seq., 19 U.S.C. 3301 note).
X	(26)	52.225-13, Restrictions on Certain Foreign Purchases (MAR 2005) (E.o.s, proclamations, and statutes administered by the Office of Foreign Assets Control of the Department of the Treasury).
	(27)	52.225-15, Sanctioned European Union Country End Products (FEB 2000) (E.O. 12849).
X	(28)	52.225-16, Sanctioned European Union Country Services (FEB 2000) (E.O. 12849).
	(29)	52.232-29, Terms for Financing of Purchases of Commercial Items (FEB 2002) (41 U.S.C. 255(f), 10 U.S.C. 2307(f)).
	(30)	52.232-30, Installment Payments for Commercial Items (OCT 1995) (41 U.S.C. 255(f), 10 U.S.C. 2307 (f)).
X	(31)	52.232-33, Payment by Electronic Funds Transfer—Central Contractor Registration(OCT 2003)(31 U.S.C. 3332)
X	(32)	52.232-34, Payment by Electronic Funds Transfer—Other than Central Contractor Registration (MAY 1999) (31 U.S.C. 3332).
X	(33)	52.232-36, Payment by Third Party (MAY 1999) (31 U.S.C. 3332).
X	(34)	52.239-1, Privacy or Security Safeguards (AUG 1996) (5 U.S.C. 552a).
X	(35)	(i) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (APR 2003) (46 U.S.C. Appx 1241 and 10 U.S.C. 2631).
		(ii) Alternate I (APR 1984) of 52.247-64.

- (c) The Contractor shall comply with the FAR clauses in this paragraph (c), applicable to commercial services, that the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items: [Contracting Officer check as appropriate.]

	(1)	52.222-41, Service Contract Act of 1965, as Amended (MAY 1989) (41 U.S.C. 351, et seq.).
	(2)	52.222-42, Statement of Equivalent Rates for Federal Hires (MAY 1989) (29 U.S.C. 206 and 41 U.S.C.
	(3)	52.222-43, Fair Labor Standards Act and Service Contract Act—Price Adjustment (Multiple Year and Option Contracts) (MAY 1989) (29 U.S.C. 206 and 41 U.S.C. 351, et seq.).

	(4)	52.222-44, Fair Labor Standards Act and Service Contract Act—Price Adjustment (FEB 2002) (29 U.S.C. 206 and 41 U.S.C. 351, et seq.).
	(5)	52.222-47, SCA Minimum Wages and Fringe Benefits Applicable to Successor Contract Pursuant to Predecessor Contractor Collective Bargaining Agreements (CBA) (MAY 1989) (41 U.S.C. 351, et seq.).

- (d) *Comptroller General Examination of Record.* The Contractor shall comply with the provisions of this paragraph (d) if this contract was awarded using other than sealed bid, is in excess of the simplified acquisition threshold, and does not contain the clause at 52.215-2, Audit and Records—Negotiation.
- (1) The Comptroller General of the United States, or an authorized representative of the Comptroller General, shall have access to and right to examine any of the Contractor's directly pertinent records involving transactions related to this contract.
  - (2) The Contractor shall make available at its offices at all reasonable times the records, materials, and other evidence for examination, audit, or reproduction, until 3 years after final payment under this contract or for any shorter period specified in FAR Subpart 4.7, Contractor Records Retention, of the other clauses of this contract. If this contract is completely or partially terminated, the records relating to the work terminated shall be made available for 3 years after any resulting final termination settlement. Records relating to appeals under the disputes clause or to litigation or the settlement of claims arising under or relating to this contract shall be made available until such appeals, litigation, or claims are finally resolved.
  - (3) As used in this clause, records include books, documents, accounting procedures and practices, and other data, regardless of type and regardless of form. This does not require the Contractor to create or maintain any record that the Contractor does not maintain in the ordinary course of business or pursuant to a provision of law.
- (e) (1) Notwithstanding the requirements of the clauses in paragraphs (a), (b), (c), and (d) of this clause, the Contractor is not required to flow down any FAR clause, other than those in paragraphs (i) through (vii) of this paragraph in a subcontract for commercial items. Unless otherwise indicated below, the extent of the flow down shall be as required by the clause—
- (i) 52.219-8, Utilization of Small Business Concerns (MAY 2004) (15 U.S.C. 637(d)(2) and (3)), in all subcontracts that offer further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceeds \$500,000 (\$1,000,000 for construction of any public facility), the subcontractor must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.
  - (ii) 52.222-26, Equal Opportunity (APR 2002) (E.O. 11246).
  - (iii) 52.222-35, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (DEC 2001) (38 U.S.C. 4212).
  - (iv) 52.222-36, Affirmative Action for Workers with Disabilities (JUN 1998) (29 U.S.C. 793).
  - (v) 52.222-39, Notification of Employee Rights Concerning Payment of Union Dues or Fees (DEC 2004) (E.O. 13201).
  - (vi) 52.222-41, Service Contract Act of 1965, as Amended (MAY 1989), flow down required for all subcontracts subject to the Service Contract Act of 1965 (41 U.S.C. 351, et seq.).
  - (vii) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (APR 2003) (46 U.S.C. Appx 1241 and 10 U.S.C. 2631). Flow down required in accordance with paragraph (d) of FAR clause 52.247-64.
- (2) While not required, the contractor may include in its subcontracts for commercial items a minimal number of additional clauses necessary to satisfy its contractual obligations.

**52.232-7 PAYMENTS UNDER TIME AND MATERIALS AND LABOR HOUR  
CONTRACTS  
(AUG 2005) (ALTERNATE II FEB 2002)**

The Government will pay the Contractor as follows upon the submission of invoices or vouchers approved by the Contracting Officer:

(a) *Hourly rate.*

(1) The amounts shall be computed by multiplying the appropriate hourly rates prescribed in the Schedule by the number of direct labor hours performed. The rates shall include wages, indirect costs, general and administrative expense, and profit. Fractional parts of an hour shall be payable on a prorated basis. Vouchers may be submitted once each month (or at more frequent intervals, if approved by the Contracting Officer), to the Contracting Officer or designee. The Contractor shall substantiate vouchers by evidence of actual payment and by individual daily job timecards, or other substantiation approved by the Contracting Officer. Promptly after receipt of each substantiated voucher, the Government shall, except as otherwise provided in this contract, and subject to the terms of (e) of this section, pay the voucher as approved by the Contracting Officer.

(2) Unless otherwise prescribed in the Schedule, the Contracting Officer may unilaterally issue a contract modification requiring the Contractor to withhold amounts from its billings until a reserve is set aside in an amount that the Contracting Officer considers necessary to protect the Government's interests. The Contracting Officer may require a withhold of 5 percent of the amounts due under paragraph (a), but the total amount withheld for the contract shall not exceed \$50,000. The amounts withheld shall be retained until the Contractor executes and delivers the release required by paragraph (f) of this clause.

(3) Unless the Schedule prescribes otherwise, the hourly rates in the Schedule shall not be varied by virtue of the Contractor having performed work on an overtime basis. If no overtime rates are provided in the Schedule and overtime work is approved in advance by the Contracting Officer, overtime rates shall be negotiated. Failure to agree upon these overtime rates shall be treated as a dispute under the Disputes clause of this contract. If the Schedule provides rates for overtime, the premium portion of those rates will be reimbursable only to the extent the overtime is approved by the Contracting Officer.

(b) *Materials and subcontracts.*

(1) The Contracting Officer will determine allowable costs of direct materials in accordance with Subpart 31.2 of the Federal Acquisition Regulation (FAR) in effect on the date of this contract. Direct materials, as used in this clause, are those materials that enter directly into the end product, or that are used or consumed directly in connection with the furnishing of the end product.

(2) The Contractor may include reasonable and allocable material handling costs in the charge for material to the extent they are clearly excluded from the hourly rate. Material handling costs are comprised of indirect costs, including, when appropriate, general and administrative expense allocated to direct materials in accordance with the Contractor's usual accounting practices consistent with Subpart 31.2 of the FAR.

(3) The Government will reimburse the Contractor for supplies and services purchased directly for the contract when the Contractor

- (i) Has made payments of cash, checks, or other forms of payment for these purchased supplies or services; or
- (ii) Will make these payments determined due
  - (A) In accordance with the terms and conditions of a subcontractor or invoices; and
  - (B) Ordinarily within 30 days of the submission of the Contractor's payment request to the Government.

- (4) (i) The Government will reimburse the Contractor for costs of subcontracts that are authorized under the subcontracts clause of this contract, provided that the costs are consistent with paragraph (b)(5) of this clause.
- (ii) The Government will limit reimbursable costs in connection with subcontracts to the amounts paid for supplies and services purchased directly for the contract when the Contractor has made or will make payments determined due of cash, checks, or other forms of payment to the subcontractor
- (A) In accordance with the terms and conditions of a subcontract or invoice; and
- (B) Ordinarily within 30 days of the submission of the Contractor's payment request to the Government.
- (iii) The Government will not reimburse the Contractor for any costs arising from the letting, administration, or supervision of performance of the subcontract, if the costs are included in the hourly rates payable under paragraph (a)(1) of this clause.
- (5) To the extent able, the Contractor shall
- (i) Obtain materials at the most advantageous prices available with due regard to securing prompt delivery of satisfactory materials; and
- (ii) Take all cash and trade discounts, rebates, allowances, credits, salvage, commissions, and other benefits. When unable to take advantage of the benefits, the Contractor shall promptly notify the Contracting Officer and give the reasons. The Contractor shall give credit to the Government for cash and trade discounts, rebates, scrap, commissions, and other amounts that have accrued to the benefit of the Contractor, or would have accrued except for the fault or neglect of the Contractor. The Contractor shall not deduct from gross costs the benefits lost without fault or neglect on the part of the Contractor, or lost through fault of the Government.
- (c) *Total cost.* It is estimated that the total cost to the Government for the performance of this contract shall not exceed the ceiling price set forth in the Schedule and the Contractor agrees to use its best efforts to perform the work specified in the Schedule and all obligations under this contract within such ceiling price. If at any time the Contractor has reason to believe that the hourly rate payments and material costs that will accrue in performing this contract in the next succeeding 30 days, if added to all other payments and costs previously accrued, will exceed 85 percent of the ceiling price in the Schedule, the Contractor shall notify the Contracting Officer giving a revised estimate of the total price to the Government for performing this contract with supporting reasons and documentation. If at any time during performing this contract, the Contractor has reason to believe that the total price to the Government for performing this contract will be substantially greater or less than the then stated ceiling price, the Contractor shall so notify the Contracting Officer, giving a revised estimate of the total price for performing this contract, with supporting reasons and documentation. If at any time during performing this contract, the Government has reason to believe that the work to be required in performing this contract will be substantially greater or less than the stated ceiling price, the Contracting Officer will so advise the Contractor, giving the then revised estimate of the total amount of effort to be required under the contract.
- (d) *Ceiling price.* The Government shall not be obligated to pay the Contractor any amount in excess of the ceiling price in the Schedule, and the Contractor shall not be obligated to continue performance if to do so would exceed the ceiling price set forth in the Schedule, unless and until the Contracting Officer shall have notified the Contractor in writing that the ceiling price has been increased and shall have specified in the notice a revised ceiling that shall constitute the ceiling price for performance under this contract. When and to the extent that the ceiling price set forth in the Schedule has been increased, any hours expended and material costs incurred by the Contractor in excess of the ceiling price before the increase shall be allowable to the same extent as if the hours expended and material costs had been incurred after the increase in the ceiling price.
- (e) *Audit.* At any time before final payment under this contract the Contracting Officer may request audit of the invoices or vouchers and substantiating material. Each payment previously made shall be subject to reduction to the extent of amounts, on preceding invoices or vouchers, that are found by the Contracting Officer not to have been properly payable and shall also be subject to reduction for overpayments or to increase for underpayments. Upon receipt and approval of the voucher or invoice designated by the Contractor as the "completion voucher" or "completion invoice" and substantiating material, and upon compliance by the Contractor with all terms of this



contract (including, without limitation, terms relating to patents and the terms of (f) and (g) of this section), the Government shall promptly pay any balance due the Contractor. The completion invoice or voucher, and substantiating material, shall be submitted by the Contractor as promptly as practicable following completion of the work under this contract, but in no event later than 1 year (or such longer period as the Contracting Officer may approve in writing) from the date of completion.

(f) *Assignment.* The Contractor, and each assignee under an assignment entered into under this contract and in effect at the time of final payment under this contract, shall execute and deliver, at the time of and as a condition precedent to final payment under this contract, a release discharging the Government, its officers, agents, and employees of and from all liabilities, obligations, and claims arising out of or under this contract, subject only to the following exceptions:

(1) Specified claims in stated amounts, or in estimated amounts if the amounts are not susceptible of exact statement by the Contractor.

(2) Claims, together with reasonable incidental expenses, based upon the liabilities of the Contractor to third parties arising out of performing this contract, that are not known to the Contractor on the date of the execution of the release, and of which the Contractor gives notice in writing to the Contracting Officer not more than 6 years after the date of the release or the date of any notice to the Contractor that the Government is prepared to make final payment, whichever is earlier.

(3) Claims for reimbursement of costs (other than expenses of the Contractor by reason of its indemnification of the Government against patent liability), including reasonable incidental expenses, incurred by the Contractor under the terms of this contract relating to patents.

(g) *Refunds.* The Contractor agrees that any refunds, rebates, or credits (including any related interest) accruing to or received by the Contractor or any assignee, that arise under the materials portion of this contract and for which the Contractor has received reimbursement, shall be paid by the Contractor to the Government. The Contractor and each assignee, under an assignment entered into under this contract and in effect at the time of final payment under this contract, shall execute and deliver, at the time of and as a condition precedent to final payment under this contract, an assignment to the Government of such refunds, rebates, or credits (including any interest) in form and substance satisfactory to the Contracting Officer.

(h) *Interim payments.*

(1) Interim payments made prior to the final payment under the contract are contract financing payments. Contract financing payments are not subject to the interest penalty provisions of the Prompt Payment Act.

(2) The designated payment office will make interim payments for contract financing on the \* \_\_\_\_\_ \* [Contracting Officer insert day as prescribed by agency head; if not prescribed, insert "30th"] day after the designated billing office receives a proper payment request. In the event that the Government requires an audit or other review of a specific payment request to ensure compliance with the terms and conditions of the contract, the designated payment office not compelled to make payment by the specified due date.

(i) The terms of this clause that govern reimbursement for materials furnished are considered to have been deleted.

## **552.238-75**

### **PRICE REDUCTIONS (MAY 2004)**

(a) Before award of a contract, the Contracting Officer and the Offeror will agree upon (1) the customer (or category of customers) which will be the basis of award, and (2) the Government's price or discount relationship to the identified customer (or category of customers). This relationship shall be maintained throughout the contract period. Any change in the Contractor's commercial pricing or discount arrangement applicable to the identified customer (or category of customers) which disturbs this relationship shall constitute a price reduction.

(b) During the contract period, the Contractor shall report to the Contracting Officer all price reductions to the customer (or category of customers) that was the basis of award. The Contractor's report shall include an explanation of the conditions under which the reductions were made.

(c) (1) A price reduction shall apply to purchases under this contract if, after the date negotiations conclude, the Contractor-

(i) Revises the commercial catalog, pricelist, schedule or other document upon which contract award was predicated to reduce prices;

(ii) Grants more favorable discounts or terms and conditions than those contained in the commercial catalog, pricelist, schedule or other documents upon which contract award was predicated; or

(iii) Grants special discounts to the customer (or category of customers) that formed the basis of award, and the change disturbs the price/discount relationship of the Government to the customer (or category of customers) that was the basis of award.

(2) The Contractor shall offer the price reduction to the Government with the same effective date, and for the same time period, as extended to the commercial customer (or category of customers).

(d) There shall be no price reduction for sales-

(1) To commercial customers under firm, fixed-price definite quantity contracts with specified delivery in excess of the maximum order threshold specified in this contract;

(2) To Federal agencies;

(3) Made to State and local government entities when the order is placed under this contract (and the State and local government entity is the agreed upon customer or category of customer that is the basis of award); or

(4) Caused by an error in quotation or billing, provided adequate documentation is furnished by the Contractor to the Contracting Officer.

(e) The Contractor may offer the Contracting Officer a voluntary Governmentwide price reduction at any time during the contract period.

(f) The Contractor shall notify the Contracting Officer of any price reduction subject to this clause as soon as possible, but not later than 15 calendar days after its effective date.

(g) The contract will be modified to reflect any price reduction which becomes applicable in accordance with this clause.